

MO15014

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DIVISION OF
OIL, GAS & MINING

SAN RAFAEL ENERGY, INC.,
P.O. Box 805
Moab, UT 84532

September 16, 1992

State of Utah
Dept of Natural Resources
Div of Oil, Gas & Mining
Attn: Holland Shepherd
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

Dear Mr. Shepherd,

San Rafael Energy, Inc., requests the following properties be reduced from "large mining sites" to "small mining sites":

Snow Mine M\015\013

Four Corners Mine M\015\014

San Rafael Energy, Inc., prior to obtaining the properties had reduced the surface disturbance of the sites to 1 acre each. Due to the fact that the sites were obtained from Atlas Minerals-Division Atlas Corporation the State would not entertain this request at that time. Since obtaining the properties the company revegetated all properties less the small areas on which the building sites are located. One of the buildings has been sold and will be removed from the Four Corners Site this fall.

The mine sites have been secured properly and San Rafael Energy, Inc., has fulfilled its responsibilities to the properties.

San Rafael Energy, Inc., intends to liquidate all surface assets and totally reclaim the surface disturbances as the buildings and equipment are sold. The state of the mining industry does not now justify nor will it justify in the foreseeable future the mining of this property.

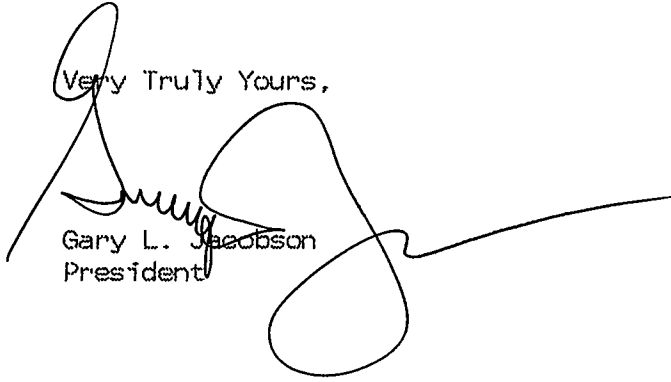
San Rafael Energy, Inc., was informed by your office when the property was obtained that upon revegetation of the sites, not to include the building sites, that the mines would be reduced to small mining operations. A management position paper was issued in the interim dealing with this action. San Rafael Energy, Inc., feels that our request should be honored based on our actions to comply. This is no longer a large mining operation and surface disturbances have been properly reduced to reflect a small mining property.

San Rafael Energy, Inc., requests that the properties referenced above be reduced to a small mining site(s) and that the surety bonds for each be released.

San Rafael Energy, Inc., took control and posted surty bonds in 1989. The management position paper was written in May, 1991. We feel that our intentions had been identified and that our actions and costs associated with those actions were for the purpose of bringing the properties into compliance and having the mine sites reduced to the "small mining" status.

Please let me know what other actions will be necessary to have a decision made on this request.

Very Truly Yours,



Gary L. Jacobson
President

copy: Joe D. Bierschied
William Bengé